

- Employment of consultants, including restructuring consultants and financial advisers
- High levels of staff turnover or reduction in head count
- Removal and replacement of key management roles

Staff change

Change in price or payment term

- Price increase
- Request for accelerated payment terms, or customer financing support

- Deteriorating market position
- Possible lawsuit

Change in market positioning

Possible signs of supplier distress

Changes in service level

- Late delivery/missed deadline
- Reduction in the quality of goods/services provided

Financial Change

- Change in debt structure, such as new loans
- Delayed or restated audited financial statement

Request for help

- Requests for technical or other support from customers

Procurement buys a wide range of goods and services from suppliers around the world, from large multinational companies to sole traders.

It is possible that global impacts and economic downturn may cause suppliers to reduce their offering, fail to meet their contractual obligations, or even cease trading. It is crucial that our organisation proactively engages with our key suppliers who ensure we can continue to procure everything we need.

This graphic highlights some typical warning signs for suppliers may be experiencing financial distress.

These are examples only and may not indicate a problem, however it is worth bearing them in mind in your discussions with suppliers.